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MEMBER OF THE NEVADA, CALIFORNIA & COLORADO BARS

September 2, 1986

Kenneth A. Gross
Associate General Counsel
Federal Election Commission
Washington, D.C. 20463

Dear Mr. Gross:

I am writing this letter to bring to your attention certain facts which are reflected in First and Second Quarter Reports filed with the FEC by the Santini for Senate Campaign, and the Nevada State Republican Party Central Committee, and which I believe constitute prima facie violations of the laws and regulations governing contributions to candidates for federal elective office.

This letter is not intended as a separate Complaint, but rather to point out matters which should have attracted your attention during the review of reports normally conducted by FEC staff. I have no reason to believe that those violations have not been discovered and reviewed by your staff, but I do wish to ensure that they have come clearly to the FEC's attention.

I am concerned with two areas.

First, I know that the FEC has made inquiry of the Nevada Republican Party regarding the approximately eighteen thousand dollars in contributions shown by its last quarterly report. The Republican Party's second quarterly report shows an additional "debt" to the Santini For Senate Campaign for \$3,271.16 for event and transportation expenses. The Santini Campaign's second quarter report directly contradicts that position; it lists the same amount owed to the Nevada Republican Party for reimbursement of travel expenses.

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ASSOCIATE GENERAL COUNSEL

Kenneth A. Gross
Page 2
September 2, 1986

Given that inconsistency; the clear possibility that the Campaign and the Party have chosen to attempt to "stonewall" regarding additional contributions by treating them as "debts" which will not be repaid; and the inherently suspect explanation offered by Robert L. Seale in his letter of June 11, 1986 that the \$15,569.49 originally described as spent on the "Campaign to Defeat U.S. Rep. Candidate Harry Reid," was, in fact, a "voter information mailing to Nevada Republicans;" I would strongly urge that the FEC look closely both at the contents of those mailings, and at the legitimacy of the debt above discussed. I believe that the Nevada Republican Party has greatly exceeded its legal limits in contributions, and that both the Party and the Santini Campaign intend to continue that conduct with no regard for FEC regulations or inquiries, unless a strong follow-up position is taken.

Second, I have reviewed with great interest the Schedules A filed by the Santini For Senate Campaign for the Second Quarter of 1986, regarding the required identification of occupation and employment of certain individual contributors.

I am enclosing a list of those persons about whom the Campaign represented to the Commission that it had made its "best efforts" to obtain that required information. I find it difficult to believe that the Campaign is not engaged in some form of crude practical joke of which the Commission and its staff are the butt.

It is shocking enough that the Santini Campaign has been "unable" to identify the occupation and employment of close to two thirds of its individual contributors. But when the Campaign tries to tell this Commission that it does not know the occupation and employment of Sig Rogich, President of R&R advertising, to which over \$135,000.. was shown as disbursed by the Campaign in its schedule D's for this quarter, its conduct borders on the ludicrous.

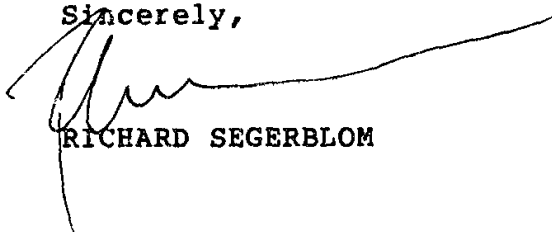
Kenneth A. Gross
Page 3
September 2, 1986

Indeed, when the Santini Campaign tells this Commission that it does not know the identity and occupation of its Comptroller James Chaches, who presumably reviewed the Second Quarter Reports, I can only say that, in effect, the Santini for Senate Campaign is saying to the Commission, its opponents, and the people of Nevada, that it just doesn't care.

I will not, in this letter go through all the names of extraordinarily prominent Nevadans about whom the Santini Campaign knows "nothing." Suffice it to say that you can ask any Nevadan to identify Sam Boyd, Helen Cannon, Lt. Gov. Bob Cashell (the Chairman of the Nevada State Republican Party), the Doumanis, the Gaughns, the Hams, Cliff Jones, Herb Kaufman, Moya Lear, Forest Mars, the Molaskys, E. Parry Thomas, Arthur Waltzman, and numerous other prominent citizens, and they will be able to do so.

As I indicated above, I do not intend this letter as a Complaint. I am sure that the Commission will conduct a thorough review of these matters given their inherently suspicious contents. If I may be of any service in furthering that investigation, please do not hesitate to contact me.

Sincerely,



RICHARD SEGERBLOM

RS/jrk